

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2001

Open to Public Inspection

A For the 2001 calendar year, or tax year period beginning **JUL 1, 2001** and ending **JUN 30, 2002****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization**INSTITUTE FOR JUSTICE**

Number and street (or P O box if mail is not delivered to street address)

1717 PENNSYLVANIA AVENUE, NW

Room/suite

200

City or town, state or country, and ZIP + 4

WASHINGTON, DC 20006**D** Employer identification number**52-1744337****E** Telephone number**(202) 955-1300****F** Accounting method☐ Cash☒ Accrual

Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and **I** are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? **N/A** ☐ Yes ☐ No (If "No," attach a list)**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Enter 4-digit GEN ▶**M** Check ☐ if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)**G** Web site ▶ **WWW.IJ.ORG****J** Organization type (check only one) ☒ 501(c) (3) (Insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return.**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **6,298,811.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	5,616,962.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 5,265,112. noncash \$ 351,850.)	1d	5,616,962.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	68,115.		
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4	140,121.		
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a	5,781.		
Expenses	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	5,781.		
	7	Other investment income (describe ▶)	7			
	8a	Gross amount from sale of assets other than inventory	(A) Securities	355,611.	8a	
	b	Less cost or other basis and sales expenses	352,048.	8b		
	c	Gain or (loss) (attach schedule)	3,563.	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	3,563.		
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
Net Assets	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
	10a	Gross sales of inventory, returns, and allowances	10a			
	b	Less cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
	11	Other revenue (from Part III, line 103)	11	112,221.		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	5,946,763.		
	13	Program service expenses (from line 44, column (B))	13	3,739,062.		
	14	Management and general (from line 44, column (C))	14	456,847.		
	15	Fundraising (from line 44, column (D))	15	549,492.		
	16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	4,745,401.			
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	1,201,362.			
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	6,248,787.			
20	Other changes in net assets or fund balances (attach explanation)	20	<586,550.>			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	6,863,599.			

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LHA For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2001)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	433,605.	356,973.	39,240.
26	Other salaries and wages	26	1,676,501.	1,389,042.	144,901.
27	Pension plan contributions	27	141,973.	134,349.	3,621.
28	Other employee benefits	28	158,634.	127,030.	17,394.
29	Payroll taxes	29	143,232.	112,654.	16,739.
30	Professional fundraising fees	30			
31	Accounting fees	31	26,779.		26,779.
32	Legal fees	32	10,973.		10,973.
33	Supplies	33	53,037.	43,632.	6,722.
34	Telephone	34	58,299.	45,780.	8,113.
35	Postage and shipping	35	153,267.	50,917.	3,816.
36	Occupancy	36	380,246.	289,278.	50,823.
37	Equipment rental and maintenance	37	35,999.	20,741.	12,629.
38	Printing and publications	38	287,012.	171,044.	2,018.
39	Travel	39	201,277.	168,775.	23,588.
40	Conferences, conventions, and meetings	40	20,529.	19,931.	399.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	127,921.	98,189.	16,639.
43	Other expenses not covered above (itemize)				
a		43a			
b		43b			
c		43c			
d		43d			
e	SEE STATEMENT 4	43e	836,117.	710,727.	72,453.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D) carry these totals to lines 13-15	44	4,745,401.	3,739,062.	456,847.

Joint Costs Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? **SEE STATEMENT 5**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
 (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)

a	LITIGATIONS AND BRIEFS TO PROTECT CONSTITUTIONAL RIGHTS OF CLIENTS; EDUCATION THROUGH BROCHURES, EVENTS, MEDIA AND SPEECHES NATIONWIDE; TRAINING OF LAW STUDENTS AND UNDERGRADUATES.	(Grants and allocations \$ _____)	3,739,062.
b		(Grants and allocations \$ _____)	
c		(Grants and allocations \$ _____)	
d		(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B) Program services)		3,739,062.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	886,939.	45	699,027.
	46 Savings and temporary cash investments	223,265.	46	124,819.
	47 a Accounts receivable	19,290.		
	b Less: allowance for doubtful accounts		47c	19,290.
	48 a Pledges receivable	687,070.		
	b Less: allowance for doubtful accounts		48c	687,070.
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	103,169.	53	121,777.
	54 Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	3,958,696.	54	4,211,284.
	55 a Investments - land, buildings, and equipment basis			
	b Less: accumulated depreciation		55c	
56 Investments - other SEE STATEMENT 7	650,000.	56	835,000.	
57 a Land, buildings and equipment basis	844,443.			
b Less: accumulated depreciation STMT 8	532,559.	57c	311,884.	
58 Other assets (describe <input type="checkbox"/>)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	6,434,936.	59	7,010,151.	
Liabilities	60 Accounts payable and accrued expenses	184,694.	60	82,613.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/> CAPITAL LEASE OBLIGATION)	1,455.	65	63,939.
66 Total liabilities (add lines 60 through 65)	186,149.	66	146,552.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	6,140,445.	67	6,472,463.
	68 Temporarily restricted	108,342.	68	391,136.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	6,248,787.	73	6,863,599.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	6,434,936.	74	7,010,151.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains, and other support per audited financial statements	a	5,360,213.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ <586,550.>		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	<586,550.>
c	Line a minus line b	c	5,946,763.
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	5,946,763.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	4,745,401.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	4,745,401.
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	4,745,401.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
DAVID B. KENNEDY 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	CHAIRMAN 1-2	0.	0.	0.
MARK BABUNOVIC 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
ARTHUR DANTCHIK 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
JAMES LINTOTT 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
WILLIAM H. MELLOR 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	PRES & GENERAL COUNSEL 40	273,432.	55,181.	0.
CLINT BOLICK 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	VICE-PRES & SEC'Y 40	160,173.	48,734.	0.
GERRIT WORMHOUDT 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
ROBERT A. LEVY 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
ABIGAIL THERNSTROM 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.
STEPHEN W. MODZELEWSKI 1717 PENNSYLVANIA AVENUE, NW WASHINGTON, DC	MEMBER 1-2	0.	0.	0.

75 Did any officer, director, trustee or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule ☐ Yes ☒ No

Part VI	Other Information
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	Yes	No
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76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.	
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year			
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(a)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0., section 4912 <input type="checkbox"/> 0., section 4955 <input type="checkbox"/> 0.			
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955 and 4958			0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> SEE STATEMENT 9			
b	Number of employees employed in the pay period that includes March 12, 2001	90b		31

91 The books are in care of ► **THE ORGANIZATION** Telephone no ► 202-955-1300

Located at ► 1717 PENNSYLVANIA AVE, NW, WASHINGTON, DC ZIP + 4 ► 20006

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ☐
and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a ATTORNEY'S FEES					68,115.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	140,121.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	5,781.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	3,563.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a HONORARIA					4,181.
b MISCELLANEOUS					108,040.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		149,465.	180,336.
105 Total (add line 104, columns (B), (D), and (E))					329,801.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	SEE STATEMENT 10
2	
3	
4	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here	Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature of officer		Date	Type or print name and title	
Paid Preparer's Use Only	Preparer's signature		Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address and ZIP + 4		EIN		Phone no

123181 01-02 02

RUBINO & MCGEEHIN, CHARTERED
6905 ROCKLEDGE DRIVE, SUITE 700
BETHESDA, MD 20817

12/14/02

WILLIAM A. MCGEEHIN - PRESIDENT
+ GENERAL COUNSEL

11/27/02

301-564-3636

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2001

Name of the organization

INSTITUTE FOR JUSTICE

Employer identification number

52 1744337

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JOHN E. KRAMER ----- 1717 PENNSYLVANIA AVE; WASHINGTON, DC	VP OF COMM. 40 HRS PER WK	120,750.	27,280.	0.
DANA BERLINER ----- 1717 PENNSYLVANIA AVE; WASHINGTON, DC	SR. ATTORNEY 40 HRS PER WK	90,823.	13,745.	0.
SCOTT BULLOCK ----- 1717 PENNSYLVANIA AVE; WASHINGTON, DC	SR. ATTORNEY 40 HRS PER WK	89,750.	13,568.	0.
PATRICIA LEE ----- 1717 PENNSYLVANIA AVE; WASHINGTON, DC	DIRECTOR 40 HRS PER WK	122,261.	17,851.	0.
CLARK NEILY ----- 1717 PENNSYLVANIA AVE; WASHINGTON, DC	SR. ATTORNEY 40 HRS PER WK	82,917.	4,976.	0.
Total number of other employees paid over \$50,000 ▶	8			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- ----- ----- ----- ----- ----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year has the organization attempted to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes" enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>2,611.</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)	1 X	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d X	
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships fellowships, student loans, etc ? (See Note below)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4 X	
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 ☐ A Federal, state or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 12 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A**Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting**

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	5,317,720.	4,977,680.	3,466,285.	3,094,420.	16,856,105.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable etc. purpose	0.	25,000.	59,000.	5,961.	89,961.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	98,314.	144,960.	85,159.	77,870.	406,303.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	7,689.	79,674.	SEE STATEMENT 11	2,404.	104,006.
23 Total of lines 15 through 22	5,423,723.	5,227,314.	3,624,683.	3,180,655.	17,456,375.
24 Line 23 minus line 17	5,423,723.	5,202,314.	3,565,683.	3,174,694.	17,366,414.
25 Enter 1% of line 23	54,237.	52,273.	36,247.	31,807.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 347,328.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 2,563,754.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 17,366,414.
d Add: Amounts from column (e) for lines 18 406,303. 19 2,563,754. 22 104,006. 26b					26d 3,074,063.
e Public support (line 26c minus line 26d total)					26e 14,292,351.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 82.2988%
27 Organizations described on line 12					
a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2000) (1999) (1998) (1997)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11 as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2000) (1999) (1998) (1997)					
c Add: Amounts from column (e) for lines 15 16 17 20					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					
NONE					

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

Yes No

29

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31

If "Yes," please describe. If "No," please explain. (If you need more space, attach a separate statement.)

32 Does the organization maintain the following:

a Records indicating the racial composition of the student body, faculty, and administrative staff?

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?

32d

If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to:

a Students' rights or privileges?

33a

b Admissions policies?

33b

c Employment of faculty or administrative staff?

33c

d Scholarships or other financial assistance?

33d

e Educational policies?

33e

f Use of facilities?

33f

g Athletic programs?

33g

h Other extracurricular activities?

33h

If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)

34 a Does the organization receive any financial aid or assistance from a governmental agency?

34a

b Has the organization's right to such aid ever been revoked or suspended?

34b

If you answered "Yes" to either 34a or b, please explain using an attached statement.

35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.

35

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check ☒ a ☐ if the organization belongs to an affiliated groupCheck ☐ b ☐ if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	2,611.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.
38 Total lobbying expenditures (add lines 36 and 37)	38	2,611.
39 Other exempt purpose expenditures	39	4,742,790.
40 Total exempt purpose expenditures (add lines 38 and 39)	40	4,745,401.
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is -		
Not over \$500,000		20% of the amount on line 40
Over \$500,000 but not over \$1,000,000		\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000		\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000		\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000		\$1,000,000
The lobbying nontaxable amount is -	41	387,270.
42 Grassroots nontaxable amount (enter 25% of line 41)	42	96,818.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.

Caution If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount	387,270.	362,632.	322,269.	305,259.	1,377,430.
46 Lobbying ceiling amount (150% of line 45(e))					2,066,145.
47 Total lobbying expenditures	2,611.	16,742.	5,435.	59,676.	84,464.
48 Grassroots nontaxable amount	96,818.	90,658.	80,576.	76,315.	344,367.
49 Grassroots ceiling amount (150% of line 48(e))					516,551.
50 Grassroots lobbying expenditures	2,611.	16,742.	5,435.	59,676.	84,464.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)
- If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Yes	No	Amount
		0.

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

INSTITUTE FOR JUSTICE

Employer identification number

52-1744337

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule** (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions)

General Rule-

☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules-

☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc. purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc. purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc. contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

INSTITUTE FOR JUSTICE

52-1744337

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 356,678.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 350,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 275,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5		\$ 240,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6		\$ 195,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

INSTITUTE FOR JUSTICE

52-1744337

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 182,185.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ 175,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ 175,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
10		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
11		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
12		\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990	RENTAL INCOME	STATEMENT	1
KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME	
1717 PENNSYLVANIA AVE / SUBLEASE INCOME	1	5,781.	
TOTAL TO FORM 990, PART I, LINE 6A		5,781.	

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	2
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
SALE OF INVESTMENTS	355,611.	352,048.	0.	3,563.	
TO FORM 990, PART I, LINE 8	355,611.	352,048.	0.	3,563.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
DESCRIPTION	AMOUNT		
UNREALIZED LOSS ON INVESTMENTS	<586,550.>		
TOTAL TO FORM 990, PART I, LINE 20	<586,550.>		

FORM 990	OTHER EXPENSES			STATEMENT	4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
EXPERT WITNESS, LOCAL COUNSEL, & INDEPENDENT COUNSEL	240,179.	201,195.	10,315.	28,669.	
INSURANCE	40,767.	35,174.	5,375.	218.	
TRANSCRIPTS AND COURT REPORTERS	26,747.	26,747.			
MISCELLANEOUS	35,863.	7,451.	26,241.	2,171.	
LEGAL RESEARCH TOOLS	67,288.	67,288.			
MEDIA RELATIONS	24,838.	24,838.			
BOOKS & SUBSCRIPTIONS	27,668.	23,566.	2,028.	2,074.	

INSTITUTE FOR JUSTICE

52-1744337

ADVERTISING	50,747.	47,247.		3,500.
COURT FEES	2,580.	2,580.		
PROFESSIONAL				
DUES/CLE FEES	15,331.	11,166.	290.	3,875.
MEALS	17,973.	14,681.	2,512.	780.
EVENTS	252,571.	242,262.	4,142.	6,167.
MAILING LIST RENTAL	5,408.	50.		5,358.
PARKING	6,825.	6,482.	218.	125.
BANK CHARGES AND INTEREST	21,332.		21,332.	
TOTAL TO FM 990, LN 43	836,117.	710,727.	72,453.	52,937.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
PART III

EXPLANATION

TO PROTECT THE CONSTITUTIONAL RIGHTS OF CLIENTS; AND TO EDUCATE THE PUBLIC THROUGH BROCHURES, EVENTS, MEDIA, AND SPEECHES NATIONWIDE.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE DEBT VANGUARD GROUP (MUTUAL FUNDS)		522,236.		3,689,048.	522,236. 3,689,048.
TO 990, LN 54 COL B		522,236.		3,689,048.	4,211,284.

FORM 990 OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	VALUATION METHOD	AMOUNT
CERTIFICATES OF DEPOSIT	COST	835,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		835,000.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	8
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	332,008.	217,112.	114,896.
COMPUTER AND SOFTWARE	255,131.	202,160.	52,971.
LEASEHOLD IMPROVEMENTS	257,304.	113,287.	144,017.
TOTAL TO FORM 990, PART IV, LN 57	844,443.	532,559.	311,884.

FORM 990	LIST OF STATES RECEIVING COPY OF RETURN PART VI, LINE 90	STATEMENT	9
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STATES

AL, AK, AZ, AR, CA, CT, DC, FL, GA, KS, KY, ME, MD, MA, MI, MN, MS, NH, NJ,
NM, NC, ND, OH, OK, OR, PA, RI, TN, UT, WA, WV, WI, NY, SC, VA, IL, MO

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT	10
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	ATTORNEY FEES ARE ACCEPTED WHEN AN AMOUNT IS AWARDED BY THE COURT AND PAID BY THE OPPOSING PARTY OR WHEN AN AMOUNT IS AWARDED BY STATUE.
103A	SPEECHES PERTAINING TO THE INSTITUTE'S EXEMPT PURPOSE BY PROVIDING A MEANS OF EDUCATING THE PUBLIC.
103B	MISCELLANEOUS INCOME DIRECTLY RELATED TO THE INSTITUTE'S EXEMPT PURPOSE BY PROVIDING A MEANS TO PROTECT THE CONSTITUTIONAL RIGHTS OF CLIENTS.

SCHEDULE A	OTHER INCOME	STATEMENT	11
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DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
HONORARIA	2,100.	2,000.	1,350.	1,300.
MISCELLANEOUS	5,589.	77,674.	12,889.	1,104.
TOTAL TO SCHEDULE A, LINE 22	7,689.	79,674.	14,239.	2,404.



INSTITUTE FOR JUSTICE - CASE UPDATE

June 2002

EDUCATION

Taylor v. Simmons-Harris (Ohio School Choice)

Court U S Supreme Court

IJ Attorneys Clint Bolick, Dick Komer, and Robert Freedman

Local Counsel David Tryon

Oral argument on February 20th went very well. Clint Bolick and Dick Komer worked extensively to prepare the state's lawyer and Ted Olsen for argument. Media coverage was extensive and strategic. The rally was a success. Hundreds of parents and children came from Cleveland, Milwaukee, Florida, Washington, DC, and elsewhere.

On June 27, the U S Supreme Court ruled in our favor, upholding the constitutionality of the Cleveland scholarship program. The 5-4 decision ruled that the program does not violate the religious establishment clause of the First Amendment. The decision ends the school choice litigation in Cleveland, and it vindicates the Institute's approach of defending the constitutionality of school choice programs around the nation, because it effectively resolves the federal constitutional issue that has been at play in all school choice programs.

Holmes v. Bush; Florida Education Association v. State Board of Education (Florida School Choice)

Court Circuit Court for the Second Judicial Circuit in and for Leon County, Florida

IJ Attorneys Clark Neily and Clint Bolick

Local Counsel Ken Sukhrie

Having successfully disqualified Judge Ralph L. Smith from presiding over this case, we were assigned a new Judge, Kevin Davey. On January 2, 2002, the Plaintiffs filed their second (partial) summary judgment motion, this time asking the court to strike down the Opportunity Scholarship Program on the grounds that it runs afoul of the state Establishment Clause (Florida Const. Art. I, § 3), which provides that "No revenue of the State shall ever be taken from the public treasury directly or indirectly in aid of any church or religious denomination, or in aid of any sectarian institution." Along with the State, we filed a motion for continuance of the

summary judgment hearing, arguing that if the U S Supreme Court upholds the Cleveland voucher program, then excluding religious schools from the Florida voucher program would likely violate the Free Exercise Clause of the First Amendment and would also constitute impermissible "viewpoint discrimination." Over the Plaintiffs' strenuous objections, Judge Davey agreed that it would be more prudent for him to wait until the U S Supreme Court issues its ruling in the Cleveland case before attempting to resolve the Plaintiffs' state constitutional claims.

The State announced the latest school grades in June 2002. Based on those results, ten new schools with approximately 8800 children became eligible for the Opportunity Scholarship program. The Department of Education has been fielding calls from interested parents who wish to use state vouchers to send their children to public school.

On July 9, the trial judge heard arguments on the question of whether Florida's state constitutional provision forbidding direct or indirect aid to religious institutions forbids religious private schools from participating in the program. (Shortly before the hearing, the Plaintiffs informed the court that they were dismissing their federal constitutional claim because they believed it was foreclosed by the Supreme Court's Zelman decision.) Along with the State's lawyers, we argued that the state constitution does not require the exclusion of religious schools from the Opportunity Scholarship program and, further, that excluding those schools would violate the Federal Constitutional prohibition against "viewpoint discrimination." We expect a ruling from the trial judge within the next few weeks. It is likely that the court's ruling will terminate the trial court phase of the litigation and that we will then proceed to the intermediate-level court of appeals.

Winn v. Killian (Arizona School Choice II) – No Change

Court Ninth Circuit Court of Appeals
IJ Attorneys Tom Liddy and Tim Keller
Local Counsel Patrick Byrne

Several Arizona taxpayers represented by the ACLU filed suit in federal court alleging that Arizona's state tax credit for contributions made to scholarship-granting organizations violates the federal Establishment Clause. The defendant is Arizona's Director of Revenue, who successfully moved to dismiss the case under the Tax Injunction Act. The plaintiffs have appealed to the Ninth Circuit, which has denied IJ's motion to intervene as appellees representing Lisa Graham Keegan, the former Superintendent of Public Instruction, and three families benefiting from scholarships the tax credit generates. (IJ's motion to intervene in the district court was not ruled on, so we had to renew our efforts at the appellate court.) Should the Ninth circuit reverse and remand the case to the district court, we shall renew our efforts to intervene.

Crane Elementary School Dist. et al. v. State of Arizona (Arizona Tax Equity Lawsuit)

Court Maricopa County Superior Court
IJ Attorneys Tom Liddy and Tim Keller

On June 10, 2002 the Superior Court heard oral argument on the State's Motion to Dismiss this lawsuit, which was filed in September, 2001 on behalf of seven public school districts alleging the Arizona school finance system fails to provide adequate funding for "at-risk" students to achieve the State's set academic standards. At oral argument, IJ AZ learned that its motion to intervene had been denied nearly a month earlier on May 9, 2002. It was discovered that the Maricopa County Clerk's Office had mailed the minute entry to the wrong address.

IJ AZ immediately moved the judge on the Superior Court to sign a final appealable order. The order was signed on Friday July 12th. The Superior Court has now denied the State's motion to dismiss and is allowing the lawsuit to move forward. In light of this recent occurrence, IJ AZ is going to proceed with the filing of a special action seeking an immediate ruling from the Court of Appeals. We will also file a separate Notice of Appeal from the signed order to protect our clients' appeal rights.

IJ AZ's special action will argue the same issues as its motion to intervene, namely that (1) it is the school districts that are the primary wrongdoers, (2) giving the districts more money will not remedy the harm, and (3) an appropriate remedy is to provide students with a *pro rata* share of funding to pursue private education. IJ AZ is representing Clarence and Martha Patchin, who pulled their two daughters out of one of the Plaintiff districts because they were a year behind academically, as well as Maria Cano, whose two sons are trapped in a failing public school.

Baton Rouge Charter Schools (Charter Schools)

Court U S District Court for the Western District of Louisiana
IJ Attorneys Clint Bolick and Dick Komer
Co-Counsel Douglas Herbert, IJ Lawyer Conference Alumnus
Local Counsel Has not been determined

After some progress negotiating the opening of United Charter School with the Department of Justice, the local School Board has now refused to agree. Time has run out for getting approval under the state-granted charter, which required that the school be opened within a set amount of time. Therefore, we have had to pull the plug on this effort.

FIRST AMENDMENT

Taucher, et al. v. Born, et al. (First Amendment CFTC challenge)- No Change

Court U S District Court for the District of Columbia
IJ Attorneys Scott Bullock, Steve Simpson, and Chip Mellor

We filed for attorney and expert witness fees under the Equal Access to Justice Act (EAJA) after our successful CFTC challenge. Unlike in Section 1983 cases, you are not automatically entitled to fees if you prevail under EAJA, which applies to the federal government. You must show not only that you prevailed but also that the government's legal position in the case was not "substantially justified." After some initial settlement negotiations, the CFTC decided that it would litigate and not agree to any amount.

In addition to the dispute over whether its position was substantially justified, the question arises of the eligibility of our clients for attorney's fees. Under EAJA, plaintiffs are not eligible for attorney's fees if their net worth exceeds \$2 million. None of our clients exceeds that threshold. However, while we were willing to provide affidavits from our clients to that effect, which we believed were sufficient, the CFTC insisted on net worth statements being filed by each client. We briefed this issue for the judge because of our desire to protect the financial privacy of the plaintiffs, one of the very things they were fighting for in the litigation. In our briefing, we suggested a compromise: rather than have the clients file net worth statements with the CFTC, they should file them with the court, for *in camera* inspection by the judge. The judge accepted our suggestions and we filed the statements with the court, not the CFTC.

A status hearing was held before the judge on October 16, 2001 and we set a briefing schedule for the remaining issues in the case: whether the subscriber-plaintiffs were prevailing parties under EAJA and whether the CFTC's position in the case was substantially justified thereby exempting it from reimbursement for fees. We filed our opening brief on these issues on December 7, 2001 and a reply on December 17, 2001. We await the judge's decision.

Lavis, et al. v. Bayless, et al. (First Amendment Case)

Court Supreme Court of Arizona
IJ Attorneys Clint Bolick, Tom Liddy and Tim Keller

Court of Appeals VICTORY! The Arizona Court of Appeals issued a decision on June 17, 2002 striking down the surcharges on civil and criminal fines as unconstitutional, adopting our reasoning in total. We sought an immediate injunction to prevent the Citizens Clean Elections Commission from expending funds collected pursuant to the surcharges, but the Supreme Court ultimately denied the injunction and issued a stay permitting the Commission to continue dispersing funds to candidates for the upcoming election.

The State and the Intervenor-Defendant have filed a Petition for Review with the Arizona Supreme Court. Our response is due July 18, 2002. The Supreme Court is certain to grant the

petition We received notice that oral argument will be heard on August 8th

Meanwhile, the state did not appeal the ruling on lobbyist fees They are now being refunded, with a potential refund total of over \$300,000

Luigi Battaglieri and the Michigan Education Association v. The Mackinac Center (First Amendment)

Court Circuit Court for the County of Ingham, Michigan
IJ Attorneys Clark Neily, Chip Mellor, and Steve Simpson
Local Counsel John M Brown

In this case we are defending the First Amendment rights of an organization that has been sued by the Michigan Education Association (MEA) and its president for “misappropriating” their “likenesses” for its commercial benefit The case arises out of remarks that were made by the MEA’s president, Luigi Battaglieri, during a press conference last fall The purpose of the press conference was to announce the creation of a union-funded and union-governed “think tank” called the Great Lakes Center for Education Research and Practice, whose ostensible mission is to critique the work of pro-school choice organizations (particularly the Mackinac Center for Public Policy) and to “educate the public about all the good things that are going on in public education ” During the press conference, Mr Battaglieri said he expected the Mackinac Center to “welcome us as new kids on the block” in the field of education research, and he told reporters that “quite frankly, I admire what [the Mackinac Center has] done over the last couple of years entering into the field as they have and being pretty much the sole provider of research to the community ”

In a year-end update and fundraising letter, the Mackinac Center underscored the effectiveness of its work by including Mr Battaglieri’s observation that he admired what the Center had done Battaglieri and the MEA responded by filing suit against the Mackinac Center, alleging that it had misappropriated their likenesses for its own commercial benefit Notably, the complaint does not challenge the accuracy of the quote, nor do the Plaintiffs assert that the Mackinac Center misrepresented Battaglieri’s comments To the contrary, the theory of the complaint is that Battaglieri’s remarks represented an *endorsement* of the Mackinac Center, for which the Center was obligated to pay Battaglieri and the MEA in order to use the quote in its fundraising efforts

Battaglieri and the MEA are seeking all of the money received by the Mackinac Center as a result of using their likenesses in its fundraising letter, and they have also asked the court for a permanent gag order that would forbid the Center from ever mentioning Battaglieri or the MEA by name in any future solicitations Even more disturbing, the MEA has demanded – both in discovery and as part of its remedy – a list of every person who has ever received *any* solicitation from the Mackinac Center that mentions Battaglieri or the MEA This improper attempt to obtain the Mackinac Center’s mailing list harkens back to the civil rights era when similar attempts by southern segregationists to force the NAACP to disclose its membership list were rebuffed by the U S Supreme Court

We believe the Plaintiffs' legal case is without merit. Courts in misappropriation cases have established a broad "newsworthiness" privilege under the First Amendment that applies to all manner of publications, not just traditional media. While some forms of "commercial speech" are not protected by the newsworthiness privilege, it is difficult to see how the disputed mailing could be characterized as pure commercial speech. The subject matter of the mailing is core political speech, it informs the public of various political and social issues, describes the Mackinac Center's work in those areas, and seeks to persuade people to support that work. Equally important, the Supreme Court has repeatedly held that the fundraising activities of non-profits can never be considered pure commercial speech.

We are currently engaged in what should be rather limited discovery, and we expect to file a summary judgment motion by mid-August.

ECONOMIC LIBERTY

Brazier Construction Co. v. Reich (Davis-Bacon Act Challenge)

Court: U.S. District Court for the District of Columbia
IJ Attorneys: Dana Berliner and Clint Bolick

After more than six years, Judge Bryant finally issued a short, 11-page opinion granting summary judgment to the government. The main basis of the decision was that, whatever the merits of our evidence about racial animus, the Davis-Bacon Act would have been passed anyway for benign and non-discriminatory reasons. On May 28, 2002, we filed a notice of appeal for the case. We are currently evaluating the status of the law on "mixed motive" legislative enactments, i.e. laws passed for both good and bad reasons. Some courts hold that the law stands as long as there was some good motive for its enactment, others hold that the law must be struck down if racial discrimination was any part of the motive for its enactment.

Ricketts, et al. v. City of New York, et al. (Economic Liberty)

Court: Supreme Court of New York, New York County
IJ Attorneys: Chip Mellor, Deborah Simpson, and Clark Neily
Local Counsel: Robert S. Getman

On July 5, 2001, the New York Court of Appeals dismissed our appeal on the grounds that the order we were appealing from was "non-final." The Court offered no explanation for its conclusion, but we filed a motion for reconsideration in which we explained that not only the parties, but also the trial judge himself, believed that the judge's ruling on the parties' cross-motions for summary judgment had fully resolved the case. The only possible "loose end" appears to be the fact that there is no written order formally dismissing our Privileges or Immunities claim – although the trial judge did indicate during a telephone conference that he believed no such order was necessary, as he had ruled on the claim and finally disposed of the case. The Court of Appeals denied our Motion for Reconsideration, again without any

explanation or comment We then obtained a stipulated dismissal of the Privileges or Immunities claim from the trial court and filed a new appeal in the Court of Appeals On July 12, 2002, we received an order from the Court of Appeals dismissing our appeal on the grounds that it did not present a "substantial constitutional issue" It appears that ruling may be the end of the line for this case, but we are reviewing our options to determine whether there are any further avenues of appeal

Craigmiles, et al. v. Giles, et al. (Economic Liberty)

Court U S Court of Appeals for the Sixth Circuit (appeal from the E D of Tennessee)
IJ Attorneys Chip Mellor and Steve Simpson
Local Counsel Hal North of Chattanooga's Shumacker and Thompson

The case has been fully briefed and was argued before the Sixth Circuit on April 23, 2002 The court seemed very interested in the issues and vigorously questioned both sides Due to the number of vacancies on the Sixth Circuit and the backlog of cases, it is very difficult to predict when the court will issue its opinion

Powers, et al. v. Harris, et al. (Economic Liberty)

Court. U S District Court for the Western District of Oklahoma
IJ Attorneys Chip Mellor and Clark Neily
Local Counsel Andrew Lester

In a short and neutrally-worded opinion, the court denied the Defendants' Motion to Dismiss on February 13, 2002 A status/scheduling conference was held shortly thereafter, during which the judge seemed both interested and engaged We have retained three experts to challenge the rationality of Oklahoma's casket sales restrictions (a highly experienced retired funeral director named Vernon Jackson, Lisa Carlson, the consumer advocate who testified for us in Tennessee, and an economist from the University of Oklahoma) We are set to depose the Defendant's witnesses during the week of July 15, the Plaintiffs' witnesses will be deposed sometime thereafter, and we will then proceed to cross-motions for summary judgment in September If the case is not resolved on motions for summary judgment, our trial date is November 25, 2002

Swedenburg, et al. v. Kelly, et al. (Economic Liberty)

Court U S District Court for the Southern District of New York
IJ Attorneys Clint Bolick and Steve Simpson
Local Counsel Lance Gotko

Oral argument took place on April 17, 2002 in the Southern District of New York, and lasted about two hours It went very well, although the judge raised the prospect that the proper remedy would be to prohibit in-state wineries from shipping rather than allow out-of-state wineries to do so We await a decision

Cases on this issue are very divided, setting the issue up for likely review by the U S Supreme Court

Heald v. Engler (Economic Liberty *Amicus*)

Court U S Court of Appeals for the Sixth Circuit (appeal from the E D of Michigan)
IJ Attorneys Clint Bolick and Steve Simpson

This is one of several challenges across the country to state bans on direct shipping that is similar to our N Y direct shipping case. On February 22, 2002, we filed an *amicus* brief on behalf of Juanita Swedenburg and David Lucas supporting the plaintiffs/appellants in this case, who lost on a motion to dismiss in district court. We primarily addressed the commerce clause issue, but raised the Article IV privileges and immunities clause issue as well to make the court aware that the issue was implicated, even though, unlike us, the plaintiffs in this case did not bring a claim under the clause. Due to the number of vacancies on the Sixth Circuit and the backlog of cases, it is unlikely that the case will be decided until sometime next year.

PROPERTY RIGHTS

Kelo, et al. v. City of New London, et al. (Connecticut Eminent Domain)

Court Superior Court of New London
IJ Attorneys Scott Bullock, Dana Berliner, and Clark Neily
Local Counsel Scott Sawyer

Judge Corradino issued one of the longest opinions in Connecticut history (nearly 250 pages) on March 13, 2002. Out of the 15 homes at issue, the Judge ruled that 11 of them could not be condemned. In addition, he stayed his decision as to the other four homes pending the outcome of the appeal. The Connecticut Supreme Court has taken jurisdiction over the case, so we will skip the Connecticut Appellate Court altogether.

We challenged the condemnations on many different grounds, including lack of public use, lack of assurances of future public use, improper delegation of power, violation of Connecticut statutes, violation of the New London City Charter, violation of equal protection, and lack of necessity for the condemnations. The court unfortunately ruled against us on all claims except lack of necessity and lack of assurances of future public use. The NLDC (the nonprofit doing the condemnations) had no plans for 11 of the homes it was condemning. We argued, and the court agreed, that it was impossible to say if the condemnations were necessary, since no one knew what the land would be used for. Similarly, one couldn't say if there were sufficient assurances of future public use, since no one knew what the public use would be.

We appealed on behalf of the three owners who did not win, and the City and NLDC cross-appealed on all other issues. Our opening appeal briefs were filed July 2, 2002. The case will probably be heard by the Connecticut Supreme Court in early December.

Mississippi Major Economic Impact Authority v. Andrew Archie, Jr., Lonzo Archie and Matilda Archie and Percy Lee and Minnie Pearl Bouldin (Eminent Domain Cases)

Court Special Court of Eminent Domain, Madison County, Mississippi
IJ Attorneys Scott Bullock, Dana Berliner, and Steve Simpson
Local Counsel James Ross, Monroe, Louisiana

In this case, we challenged the ability of the State of Mississippi to take the land of several African-American property owners—Andrew Archie, Jr., Lonzo and Matilda Archie, and Percy Lee and Minnie Pearl Bouldin (who collectively own about 28 acres)—to give to Nissan Motor Co. to build a manufacturing facility. On July 26, 2001, the trial court denied our motion to dismiss on constitutional and statutory grounds, holding for the first time under the state constitution that pure economic development was a valid “public use.” On August 3, 2001, we appealed directly to the Mississippi Supreme Court. In September and December 2001, the Supreme Court stayed the condemnation proceeding against both Archies and the Bouldins, respectively, ensuring that nothing was going to happen to their homes or land until the Court determined the constitutionality of the takings. This stopped the State dead in its tracks and frustrated Nissan’s construction plans.

We briefed the issues in the Mississippi Supreme Court throughout the earlier part of this year, but, in early April, the State announced a stunning reversal of its position. Late on a Friday, after the Archies rejected a significant settlement offer, the State announced that Nissan will redesign its truck manufacturing facility so that the Archie family can hold on to their land and homes. The State is also going to withdraw its eminent domain lawsuits against the 24 acres of property and several homes owned by the family. The Bouldin family, whose three-acre property was also sought, settled with the State. Unlike the Archies, the Bouldins’ property was located well into the project area and immediately adjacent to a large water tower built by Nissan. The Bouldins are advanced in age and have health problems. Given the location of their property deep within the plant, it was not feasible for them to stay. They received a fair settlement and will move to a location nearby in the community.

The State and Nissan are in the process of redesigning the plant and they are keeping us posted. Also, the eminent domain cases will be dismissed upon motion of the State in the trial court very soon. Because the State dismissed its own eminent domain actions against the Archies, it looks like it will have to pay our expenses and attorney fees.

Minnich, et al., v. Gargano, et al. (New York Eminent Domain)

Court Judge Harold Baer, U.S. District Court for the Southern District of New York
U.S. Court of Appeals for the Second Circuit
IJ Attorneys Dana Berliner and Chip Mellor
Local Counsel Marty Kaufman, Atlantic Legal Foundation

Briefing is now complete on our appeal of the district court’s dismissal of our case on procedural grounds (standing and res judicata). We have still not received a date for oral argument.

We have received a briefing schedule from the Second Circuit on the government's appeal of the denial of their request for attorneys fees. Briefing will proceed through September, 2002. Again, we have no date for oral argument.

City of Mesa v. Bailey (Arizona Eminent Domain)

Court: Arizona Court of Appeals
IJ Attorneys: Clint Bolick and Tim Keller
Co-Counsel: Dale Zeitlin

The trial court ruled against us in a very short and poorly reasoned decision. The judge conflated the statutory standard for eminent domain (arbitrary and capricious), which we did not argue, with the constitutional standard. However, the Court granted our motion for a stay.

We promptly filed a petition for special action in the Court of Appeals, which granted it. Tim Keller argued the appeal, and it went very well. We await a decision.

Tahoe Sierra Preservation Council, Inc. v. Tahoe Regional Planning Authority (Property Rights *Amicus*)

Court: U.S. Supreme Court
IJ Attorneys: Chip Mellor and Scott Bullock

The Institute's brief in this term's major takings case in the Supreme Court is co-authored with Professor Richard Epstein of the University of Chicago Law School. This is the latest in our long string of successful *amicus* briefs filed with Professor Epstein: *Lucas v. South Carolina Coastal Council*, *Dolan v. City of Tigard*, *City of Monterey v. Del Monte Dunes at Monterey, Ltd.*, and *Palazzolo v. State of Rhode Island*. This brief presents the question of whether the Ninth Circuit Court of Appeals properly determined that a temporary moratorium on land development within the Lake Tahoe region does not constitute a taking of property requiring compensation under the Takings Clause. Our brief is far ranging and calls on the Court to put some much-needed coherence into its takings jurisprudence. It also calls on the Court to hold that a temporary taking that deprives a landowner of all viable economic use of the land is compensable under the Takings Clause. As a part of its emphasis on correcting past mistakes made by the Court in the takings area, the brief also argues that the Court should overturn at least part of its 1978 *Penn. Central* decision, which has been the basis for a number of subsequent opinions that have reduced the scope of protections for private property owners in takings disputes.

The case was argued before the Court on January 7, 2002. Unfortunately, in March, the Court ruled against the property owner, 6-3, and interrupted the pro-property rights momentum at the Supreme Court that had been building during the 1990's. Although the decision was rather narrow (rejecting primarily the facial challenge to the regulations while leaving the door open to an as-applied challenge), the real danger in the opinion is the possible message that it sends to

the lower courts the drift toward greater property rights protections at the Supreme Court is over and that the previous good decisions over the past decade are limited to their facts

Southwestern Illinois Development Authority v. National City Environmental and St. Louis Auto Shredding Company (Illinois Eminent Domain *Amicus* Brief)

Court Illinois Supreme Court
IJ Attorneys Dana Berliner

As mentioned in the last report, the Illinois Supreme Court issued an excellent decision rejecting the condemnation of private land for a Gateway racetrack. The government has filed a petition for certiorari at the U S Supreme Court. The general rule is that the Supreme Court will not review cases for which there was an independent state law ground for the decision. The Illinois Supreme Court based its decision on both the U S and Illinois constitutions, so it seems unlikely that the Court will accept certiorari.

Walser Auto Sales v. City of Richfield (Eminent Domain *Amicus* Brief)

Court Minnesota Supreme Court
IJ Attorneys Bob Freedman and Dana Berliner

The Minnesota Supreme Court left in place two conflicting opinions from the Minnesota Court of Appeals. One case holds that an auto dealership may be condemned for the public purpose of eliminating blight. The other holds that there was no blight and the purpose of declaring the area blighted was to transfer the land to Best Buy. The attorneys for the auto dealership asked the Minnesota Supreme Court to reconsider, but that motion was denied, so both decisions stand. The attorneys now are planning to petition for certiorari from the U S Supreme Court and have asked for IJ's assistance.

Also, Bob and Dana wrote an op-ed for the Minneapolis Star Tribune criticizing the Minnesota Supreme Court for dropping the ball. The op-ed sparked various responsive letters to the editor.

City of West Orange v. 769 Associates (Eminent Domain *Amicus* Brief)

Court New Jersey Supreme Court
IJ Attorneys Dana Berliner and Steve Simpson

The New Jersey Supreme Court issued an opinion reversing the appeals court decision and allowing the condemnation of property for a public road even though the purpose of the road is to benefit new private development.

99 Cents Only Store v. Lancaster Redevelopment Agency (Eminent Domain *Amicus* Brief)

Court U S Court of Appeals for the Ninth Circuit
IJ Attorneys Dana Berliner and Bob Freedman

IJ submitted an amicus brief on June 21, 2002 in the Ninth Circuit. Our brief emphasized the difference between condemning land to eliminate harmful conditions (like unsound buildings) and eminent domain purely for business development. We argued that condemnation purely for economic development, in the absence of blight, is unconstitutional. No federal court has addressed this issue. This is a theme we discuss in many of our cases, and we took this opportunity to seek a federal appellate court opinion criticizing eminent domain for economic development.

FORFEITURE

State of New Jersey v. One 1990 Ford Thunderbird/Thomas v. Farmer (Forfeiture Case)

Court Superior Court of New Jersey, Cumberland County
IJ Attorneys Scott Bullock, Deborah Simpson, and Chip Mellor
Local Counsel Joseph Chiarello

In this case, we challenge the direct profit incentive underlying New Jersey's civil forfeiture law, whereby law enforcement officials are entitled to keep the proceeds and property generated by forfeiture. We argue that this scheme violates the due process guarantees of the U S and New Jersey constitutions. We represent Carol Thomas, a former sheriff's deputy in Millville, New Jersey, whose son used her car without her knowledge or consent to sell marijuana to an undercover officer. The state arrested her son and filed a forfeiture action against her car, *State of New Jersey v One 1990 Ford Thunderbird*. In addition to defending against the forfeiture action on behalf of Thomas, we filed a counterclaim in state court raising our constitutional arguments.

As we were conducting discovery and the case started to generate some publicity, the New Jersey Attorney General's office, which started handling the case once we became involved, decided to drop the forfeiture action against the car and return Thomas the bond money (\$1,500) that she was required to post to secure release of her car pending the outcome of the suit. The State also moved to dismiss as moot the constitutional counterclaim we filed. Of course, we did not oppose the State's motion to drop the forfeiture case and return title and the bond money to Ms. Thomas, but we opposed the effort to dismiss the counterclaim. On January 19, 2001, we had oral argument before the superior court judge and from the bench, the judge, in addition to ordering the title to the car and the bond money returned to Ms. Thomas, also allowed her counterclaim to continue. Therefore, the only remaining issue in the case is the due process claim.

We filed our opening summary judgment brief on June 3 and will continue briefing through July. Oral argument on the cross motions for summary judgment will be on August 22, 2002.

MISCELLANEOUS

Barrow v. Greenville Independent School District (Parental Liberty *Amicus* Brief)

Court U S Court of Appeals for the Fifth Circuit
IJ Attorney Bob Freedman

The case concerned a public school teacher who was denied promotion because her children attended a private school. The district court held that parental liberty – the right of parents to direct the education and upbringing of their children – is subject to any reasonable regulation by the state and therefore only protected by “rational basis review.” The Institute filed a brief charting the fundamental importance of parental liberty in Western culture, common law traditions, and in Supreme Court jurisprudence. The Institute’s brief was joined by the Council for American Private Education, a coalition of 17 private school organizations that collectively instruct more than 80% of all private school students in the United States. The brief was filed on May 28, 2002.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Note:** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note. Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ☐
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization INSTITUTE FOR JUSTICE	Employer identification number 52-1744337
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions 1717 PENNSYLVANIA AVENUE, NW, NO. 200	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WASHINGTON, DC 20006	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **FEBRUARY 18, 2003** to file the exempt organization return for the organization named above. The extension is for the organization's return for

► ☐ calendar year _____ or
► ☒ tax year beginning **JUL 1, 2001**, and ending **JUN 30, 2002**

2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period


3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ►  Title ► **C.P.A.** Date ► **11/10/02**
LHA For Paperwork Reduction Act Notice, see instruction Form **8868** (12-2000)